Brent	**Pension Board** 21 July 2026
	Report from the Corporate Director, Finance and Resources

LGPS Update Report

Wards Affected:	All wards
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
List of Appendices:	Seven: Appendix 1 - LGPC Bulletin – March 2026 Appendix 2 - LGPC Bulletin – Access and Fairness Appendix 3 - LGPC Bulletin – Councillors Appendix 4 - LGPC Bulletin – April 2026 Appendix 5 - LGPC bulletin – May 2026 Appendix 6 – LGPC Bulletin – June 2026 Appendix 7 – Scheme Advisory Board Paper
Background Papers:	None
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1.0 Executive Summary

1.1 The purpose of this report is to update the Board on recent developments within the Local Government Pension Scheme (LGPS) regulatory environment and any recent consultations issued which would have a significant impact on the Fund.

2.0 Recommendation(s)

2.1 The Committee is asked to note the recent developments in the LGPS.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme and complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

3.2 Background

LGPS Annual Update

3.2.1 The LGA published its annual update in March. Bulletin 274 sets out all the key index-linked tables, factors and figures affecting the LGPS.

The Pension Schemes Act

3.2.2 The Pension Schemes Bill received Royal Assent on 29 April 2026, becoming the Pension Schemes Act 2026. The Act introduces a range of measures affecting both public and private sector pension schemes.

3.2.3 The legislation enables the Ministry of Housing, Communities and Local Government (MHCLG) to respond to the *“Fit for the Future”* technical consultation, which closed on 2 January 2026, lay secondary legislation and publish statutory guidance.

3.2.4 The Scheme Advisory Board (SAB) published a briefing paper, attached as Appendix 7, on 1 May 2026, providing a summary of the provisions within the Act that are relevant to the Local Government Pension Scheme (LGPS).

Qualifying Additional Pension Arrangements (QAPAs)

3.2.5 Qualifying Additional Pension Arrangements (QAPAs) were introduced from 1 April 2026 to enable members to purchase pension lost during periods of authorised absence exceeding 14 days. For periods of authorised absence of 14 days or less, both the member and employer must continue to pay pension contributions at the normal rates.

3.2.6 Regulation 16 of the Local Government Pension Scheme Regulations 2013 applies to both QAPAs and Additional Pension Contributions (APCs). Unless the Regulations specifically provide otherwise, the same provisions apply to both arrangements.

3.2.7 The principal differences between QAPAs and APCs are as follows:

- Cost – The cost of a QAPA is based on the member and employer each paying the pension contributions that would have been due had the member remained at work during the period of absence. In contrast, the cost of an APC is determined using age-related actuarial factors. Where a member elects to purchase lost pension through an APC within 30 days of returning to work, or within such longer period as the employer may permit, the employer meets two-thirds of the cost and the member pays one-third.

- Election period – A member must elect to enter into a QAPA within 12 months of returning to work, unless the employer agrees to a longer period. Once this deadline has passed, a QAPA cannot be established. However, the member may still be able to purchase the lost pension through an APC at their own expense.

- Early retirement – Pension purchased under a QAPA is not subject to reduction when benefits are paid early on the grounds of redundancy or business efficiency. By comparison, pension purchased through an APC is subject to the normal early payment reductions.

- Death benefits – Where a member dies before a QAPA has been completed, the arrangement is treated as complete and the additional pension is included in the calculation of any survivor pension payable.

- Medical evidence – An administering authority cannot require a medical report in relation to a QAPA. This differs from APC arrangements, where medical evidence may be required in certain circumstances.

- Additional pension limit – Both QAPAs and APCs count towards the annual limit of £9,054 of additional pension that may be purchased.

3.2.8 QAPAs therefore provide a mechanism for members to restore pension lost during qualifying periods of authorised absence, while sharing the cost between the member and employer in a manner broadly consistent with the contributions that would have been paid had they been at work.

Bereaved Partner's Paternity Leave

3.2.9 The Bereaved Partner's Paternity Leave Regulations 2026, made on 10 March 2026, introduce a new statutory entitlement for eligible employees to take leave to care for a child. This applies within the first year following a child's birth, placement for adoption, or (in the case of overseas adoption) the child's entry into Great Britain, where the child's primary carer dies on or after 6 April 2026.

3.2.10 For pension purposes, any period of bereaved partner's paternity leave is treated as pensionable. Assumed Pensionable Pay (APP) must be applied throughout the entire period of leave, regardless of whether the leave is paid or unpaid.

Access and Protections - Pensions for Councillors

3.2.11 MHCLG published the first part of its response to the consultation on Scheme Improvements (access and protections) on 24 February 2026, which covers access for elected members. The legislation was laid on 25 March 2026 and is effective from 11 May 2026.

3.2.12 Pensionable pay will be based on:

- basic allowances
- special responsibility allowances
- relevant allowances
- any salary paid (where applicable).

3.2.13 Elected membership in the Local Government Pension Scheme (LGPS) cannot be aggregated with any non-elected LGPS membership.

3.2.14 Transfers into the Scheme:

- Elected membership, pension benefits from other schemes, and LGPS membership from Scotland and Northern Ireland may be transferred into the LGPS.
- All such transfers will be credited as Career Average Revalued Earnings (CARE) benefits.
- The position regarding Public Sector Transfer Club transfers remains uncertain.
- McCloud underpin protections do not apply to councillor members.

3.2.15 The pensions of councillors who choose to retire before their state pension age (SPA) will be subject to actuarial reduction for early payment.

3.2.16 The following provisions for early access to benefits are not available to councillors:

- Flexible retirement
- Redundancy
- Retirement on the grounds of business efficiency

- Retirement by mutual consent on business efficiency grounds

- The council does not have the discretion to waive actuarial reductions attracting to councillors' pension (regulation 30[8]).

3.2.17 The council cannot contribute towards additional contributions contracts (APCs) or additional voluntary contributions (AVCs), except for salary sacrifice shared cost AVCs.

3.2.18 The council cannot award additional pension under regulation 31.

Access and Protections (2)

3.2.19 A further government response will be published later in the year, addressing the remaining areas of the consultation; normal minimum pension age (NMPA), academies in the LGPS (Directions Orders) and New Fair Deal.

SCAPE discount rate

3.2.20 On 19 May 2026, HM Treasury increased the superannuation contributions adjusted for past experience (SCAPE) discount rate from CPI + 1.7% per annum to CPI + 2.0% per annum

3.2.21 The SCAPE discount rate is used in the valuation of unfunded public service pension schemes and plays a key role in determining employer contribution rates and actuarial factors used across public service pension schemes.

3.2.22 Given the volume of factors affected, revised factors are being issued in batches over an expected six-month period.

3.2.23 The first set of revised factors, GAD Factors 2026-01, has now been released and it includes:

- Non-Club transfer-out factors
- Pensioner cash equivalent value (CEV) factors
- Pension credit factors

3.2.24 Schemes should ensure that all relevant calculations are completed using the latest GAD guidance and continue to monitor future releases for additional updates to actuarial factors.

The Pensions Dashboard

3.2.25 The Pensions Dashboard Programme (PDP) continues to work on the delivery of pensions dashboards.

3.2.26 A consultation on the introduction of Private Sector Dashboards closed on 10 February 2026. These dashboards are intended to operate alongside the

MoneyHelper Pensions Dashboard, providing savers with greater choice and flexibility when accessing their pension information.

3.2.27 PDP has also published an updated draft of the Reporting Standards. The revised standards propose a more proactive approach, requiring these data sets to be submitted to the Money and Pensions Service (MaPS) on a daily basis through Application Programming Interfaces (APIs), with an implementation deadline of 30 November 2026.

3.2.28 PDP has launched a consultation seeking industry feedback on the proposed changes, including the feasibility of the implementation timetable.

3.2.29 On 21 April 2026, MaPS hosted a webinar to share the findings from Phase 1 user testing of the MoneyHelper Pensions Dashboard. The session covered the research methodology, key findings, actions taken in response to the feedback and the planned next steps.

3.2.30 MaPS has also begun recruiting participants for Phase 2 consumer testing of the MoneyHelper dashboard. The testing is intended to support further refinement of the service ahead of its public launch. Participation is open to individuals aged 18 or over who have not yet started accessing their pension benefits

Fit for the Future

3.2.31 On 29 June 2026, MHCLG published statutory guidance to support the ‘Fit for the Future’ changes.

3.2.32 On 30 June 2026 the Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations 2026 came into force.

3.2.33 Funds must prepare and maintain an Investment Strategy Statement (ISS) in accordance with statutory guidance.

3.2.34 The guidance also fleshes out key topics including:

- Knowledge and understanding
- LGPS senior officer
- Independent person
- Independent governance reviews.
- Asset pooling requirements in LGPS

4.0 Stakeholder and ward member consultation and engagement

4.1 This is not applicable to this report.

5.0 Financial Considerations

5.1 There are no specific financial implications associated with this report.

6.0 Legal Considerations

6.1 There are no specific legal considerations arising from this report.

7.0 Equality, Diversity & Inclusion (EDI) Considerations

7.1 There are none directly arising from this report.

8.0 Climate Change and Environmental Considerations

8.1 There are none directly arising from this report.

9.0 Human Resources/Property Considerations

9.1 There are none directly arising from this report.

10.0 Communication Considerations

10.1 None that are applicable to this report.

Report sign off:

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